



Auven Therapeutics Announces AstraZeneca's MedImmune Acquires Antibody-Drug Conjugate Company Spirogen and Invests in ADC Therapeutics

Both Auven Therapeutics Portfolio Companies

- **MedImmune acquires 100% of Spirogen for \$200 million in cash and deferred consideration of up to \$240 million**
- **MedImmune and ADC Therapeutics enter into a collaboration agreement for two of ADC Therapeutics' oncology programs**
- **MedImmune pays \$20 million for an equity investment in ADC Therapeutics matched by a \$20 million additional investment from Auven Therapeutics**
- **MedImmune's Executive Vice President, Dr. Bahija Jallal, joins ADC Therapeutics' board**

LAUSANNE, SWITZERLAND, LONDON, UK, ST THOMAS, U.S. VIRGIN ISLANDS, AND NEW YORK, USA, October 15, 2013 – Auven Therapeutics, the global private equity company focused on accelerated development of breakthrough therapeutic drugs addressing unmet medical needs, today announced that its strategic investment in the antibody-drug conjugate (ADC) field has been validated by the sale of its platform technology portfolio Company Spirogen to MedImmune, the global biologics research and development arm of AstraZeneca.

MedImmune has also entered into a collaboration agreement with portfolio Company ADC Therapeutics to jointly develop two of ADC Therapeutics antibody-drug conjugate programs in preclinical development. MedImmune and Auven will also make an equity investment in ADC Therapeutics.

ADCs are a clinically-validated cancer drug technology that offers both high potency and selective targeting of cancer cells. Spirogen's proprietary pyrrolobenzodiazepine (PBD) technology attaches highly potent cytotoxic agents, or 'warheads' to specific cancer-targeting antibodies using biodegradable 'linkers'. This targeting optimises the delivery of the cancer drug to the tumour cells only and provides the greatest degree of tumour killing while minimising the toxicity to the patient.

Dr. Peter B. Corr, co-founder and Managing General Partner of Auven and Chairman of ADC Therapeutics said: "We anticipate that our work in the ADC field will be a major driver of value in our fund. We believe that ADCs are one of the most interesting and important areas we have worked on in our careers. The combination of tumor-specific antibodies with highly potent cytotoxic warheads will be game changing in the oncology field."

Spirogen sale

MedImmune will acquire 100 per cent of the shares of Spirogen for an initial consideration of \$200 million and deferred consideration of up to \$240 million based on reaching predetermined development milestones. Existing out-licensing agreements remain in place, milestones and royalty rights under which have been transferred into a holding company 75% owned by Auen.

Commenting on the sale, Spirogen CEO Dr. Chris Martin said: “This deal reflects the very significant progress made by our scientists, most notably over the last two years, as we have applied our warhead and linker technologies to the development of highly potent and specific ADCs. We believe that PBD-armed antibody-drug conjugates will emerge as a critical component in the next generation of cancer biologics with the potential to make a difference for oncologists and their patients. We look forward to combining our world class capabilities in this area with MedImmune’s ability to develop this exciting class of oncology drugs.”

Following Auen’s investment in Spirogen, the Company has expanded and made major technical advances toward optimizing the stability and therapeutic window of PBD-warheaded ADCs, working closely with its collaborators including ADC Therapeutics.

Stephen Evans-Freke, co-founder and Managing General Partner of Auen and Chairman of Spirogen commented: “While our business strategy for Spirogen had been to license its ADC warhead technology to multiple industry partners, an unsolicited approach by an unrelated party to this deal to acquire the Company caused us to explore with Lazard the potential for enhanced value realization through an outright sale. While we had interest from various parties, MedImmune stood out as an ideal partner. We were very pleased with the outcome.”

ADC Therapeutics agreements

The collaboration agreement entered into between MedImmune and ADC Therapeutics will include an upfront payment with predetermined development milestones for two programs from a defined list. The parties have a cost- and profit- sharing arrangement with MedImmune representing the majority share. ADC Therapeutics retains the option to co-promote one of the two products in the US.

MedImmune will also pay \$20 million for an equity investment in ADC Therapeutics matched by a \$20 million additional investment from Auen Therapeutics on the same terms.

Michael Forer, CEO of ADC Therapeutics and a Managing Director of Auen, said: “The \$40 million equity investment in ADC Therapeutics combined with the economic terms of the collaboration agreement with MedImmune ensure that the Company is now well-funded to achieve its mission. Outside of our arrangement with MedImmune, we aim for ADC Therapeutics to have multiple proprietary products in clinical development within two years and to achieve clinical proof-of-concept by 2017.”

Dr. Bahija Jallal, Executive Vice President of MedImmune said, “Antibody-drug conjugates are ground-breaking technologies with the potential for directly targeting many types of cancer tumours while safeguarding healthy cells. The cutting-edge technologies developed by Spirogen and ADC Therapeutics complement MedImmune’s innovative antibody engineering capabilities, enabling us to accelerate antibody-drug conjugates into the clinic” she said.

“MedImmune is a natural partner for us given its depth of antibody expertise, its oncology focus and the commitment of its leadership to bring a number of break-through cancer therapeutics incorporating this exciting technology to patients as rapidly as possible. We are also excited to have Dr. Bahija Jallal with all her expertise in this area join the Board of ADC Therapeutics,” concluded Mr Evans-Freke and Dr. Corr.

Lazard Freres & Co. LLC acted as lead advisor to Spirogen and ADC Therapeutics and Arnold & Porter LLP served as legal counsel.

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Notes to Editors

About Auen Therapeutics

Auen Therapeutics was founded by Stephen Evans-Freke and Dr. Peter B Corr in 2007 with an innovative investment strategy that enables it to operate as a drug development company while remaining structured as a private equity fund. Auen Therapeutics has a portfolio of biologic and small molecule drug candidates for a range of therapeutic indications including cancer, ophthalmic conditions, women’s health and orphan diseases. Stephen Evans-Freke and Dr. Peter B. Corr are the Managing General Partners of Auen Therapeutics Management L.L.L.P., and the other Managing Directors of the firm are Reinaldo Diaz and Beth P. Hecht (New York), Michael Forer (Lausanne) and Dr. Richard Warburg (USVI)). Auen Therapeutics Development is the operating company of Auen Therapeutics Holdings L.P. and manages drug development from its bases in Lausanne, Switzerland, New York, USA and Hamilton, Bermuda.

For further information, please visit Auen Therapeutics’ website, www.auventx.com.

About Spirogen

The Spirogen group was founded in 2001 as a spin-out from several institutions including University College, London and partly funded by Cancer Research UK. It is majority owned by Auen Therapeutics. Since that time, it has developed a novel class of highly potent cytotoxic warheads based on its proprietary pyrrolobenzodiazepines (PBDs), DNA minor groove binding agents, which bind and cross-link specific sites of DNA of the cancer cell. This blocks the cancer cells’ division without distorting its DNA helix, thus potentially avoiding the common phenomenon of emergent drug resistance. Spirogen has been developing its PBD technology for more than ten years, including a standalone PBD agent already in a clinical study in acute myeloid leukemia (AML). Its business model has been to partner its technology with pharma and biotech for use in the development of novel drugs. It has a number of industry collaborations, including a collaboration with Genentech announced in 2011 and with ADC Therapeutics announced in 2012.

For further information, please visit Spirogen's website, www.spirogen.com.

About ADC Therapeutics

ADC Therapeutics is a Swiss-based oncology drug development company that specializes in the development of proprietary Antibody Drug Conjugates (ADCs) targeting major cancers such as breast, lung, prostate, renal and blood. The Company’s ADCs are highly targeted drug constructs which combine monoclonal antibodies specific to particular types of tumor cells with a novel class of highly potent pyrrolobenzodiazepine (PBD)-based warheads. The Company was launched in 2012 with a \$50m commitment from private equity firm Auen Therapeutics. ADC

Therapeutics has access to warhead and linkers chemistries via existing agreements with Spirogen. It operates a virtual business model based in Lausanne, Switzerland.

For further information please see: www.adctherapeutics.com.

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